

Docket No.: F-8678

MAIL STOP: APPEAL BRIEF-PATENTS

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Before the Board of Patent Appeals and Interferences

Applic. No.	:	10/821,610	Confirmation No.:	1547
Inventor	:	Carlos Lozano		
Filed	:	April 9, 2004		
Title	:	Personalized Financial Debit-Credit Method and System		
TC/A.U.	:	3694		
Examiner	:	Shahid R. Merchant		
Customer No.	:	24131		

Hon. Commissioner for Patents
Alexandria, VA 22313-1450

SUBSTITUTE BRIEF ON APPEAL

Sir:

Appellant is filing this Substitute Brief on Appeal in response to a Notification of Non-Compliant Appeal Brief mailed January 12, 2009. Appellant is appealing the final rejection in the Office action dated November 17, 2008, finally rejecting claims 2 – 15 and 17 - 22.

The fees for filing the *Brief on Appeal* were previously paid by Appellant on May 13, 2008 and December 9, 2008. Because prosecution was reopened after the filing of the previous appeal, but prior to a decision being rendered, in order to address a new ground of rejection introduced by the Examiner in the Examiner's Reply Brief, no further fees are believed to be due, pursuant to M.P.E.P. § 1207.04

Real Party in Interest:

The inventor Carlos Andres Lozano is the real party in interest.

Related Appeals and Interferences:

No related appeals or interference proceedings are currently pending which would directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

Status of Claims:

Claims 2 - 15 and 17 - 22 are rejected and are under appeal. Claims 1 and 16 are canceled.

Status of Amendments:

In response to the new ground of rejection contained in the Examiner's Answer of July 16, 2008, claims 2 and 15 were amended in an Amendment filed on September 16, 2008, and in a Supplemental Amendment filed on October 28, 2008. The amendments to claims 2 and 15 were entered, according to item 1 of the final Office Action dated November 17, 2008 .

Summary of the Claimed Subject Matter:

The subject matter of each independent claim is described in the specification of the instant application. Examples explaining the subject matter defined in each of the independent claims, referring to the specification by page and line numbers, and to the drawing, are given below.

Independent Claim 2:

A method of managing a credit **[page 7 of the originally filed application (the “OFA”), line 13 – page 8, line 8] [10 of the later added figure (the “Figure”)]**, comprising the steps of:

(a) in a system including a device for performing electronic transactions **[page 4 of the OFA, lines 2 – 7; page 4 of the OFA, line 12 “online”; page 6, line 7 “Internet shopping”]**, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer **[page 10 of the OFA, lines 3 – 5; page 9 of the OFA, lines 2 - 5] [12 of the Figure]**;

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, the parameters being set by the consumer **[page 7 of the OFA, lines 14 and 18 – 22] [14 of the Figure]**;

(c) obtaining a financial card, for providing access by the consumer to the stored credit **[page 7 of the OFA, line 17; page 10 of the OFA, lines 3 - 5] [13 of the Figure]**;

(d) causing a first amount to be debited from the stored credit, as a result of an electronic transaction reflecting a financial transaction using the financial card **[page 4 of the OFA, lines 2 – 7]**, resulting in a remaining credit **[page 1 of the OFA, lines 3 – 6; page 6 of the OFA, lines 11 – 18; page 11 of the OFA, lines 7 – 11] [17 of the Figure]**;

(e1) after step (d), paying, by the consumer, of at least one of interest and late fees on the first amount, in accordance with the parameters set in step (b) **[page 1 of the OFA, lines 6 – 8]**, wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer **[page 6 of the OFA, lines 11 – 18; page 8 of the OFA, lines 15 – 19; page 11 of the OFA, lines 7 – 12] [20 of the Figure]**; and

(e2) providing information relating to the new stored credit formed in step (e1) to the consumer **[page 8 of the OFA, lines 1 – 5]**.

Independent Claim 15:

A method of managing a credit **[page 7 of the OFA, line 13 – page 8, line 8] [10 of the Figure]**, comprising the steps of:

(a) establishing a stored credit in a financial institution on behalf of a consumer, corresponding to an amount advanced by the consumer **[page 10 of the OFA, lines 3 – 5; page 9 of the OFA, lines 2 - 5] [12 of the Figure]**, the financial institution including a device for performing electronic transactions **[page 4 of the OFA, lines 2 – 7; page 8 of the OFA, lines 10 - 15] ;**

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of the payment of interest and the payment of late fees, the parameters being set by the consumer **[page 7 of the OFA, lines 14 and 18 – 22] [14 of the Figure]**;

(c) issuing a financial card, for providing access by the consumer to the stored credit **[page 7 of the OFA, line 17; page 10 of the OFA, lines 3 - 5] [13 of the Figure];**

(d) debiting a first amount from the stored credit as the result of an electronic transaction reflecting a financial transaction using the financial card, resulting in a remaining credit **[page 1 of the OFA, lines 3 – 6; page 6 of the OFA, lines 11 – 18; page 11 of the OFA, lines 7 – 11] [17 of the Figure];**

(e1) after step (d), crediting to the remaining credit, at least one of interest and late fees on the first amount, paid by the consumer, which said at least one of interest and late fees accrued in accordance with the parameters set in step (b), wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer **[page 6 of the OFA, lines 11 – 18; page 8 of the OFA, lines 15 – 19; page 11 of the OFA, lines 7 – 12] [20 of the Figure];** and

(e2) providing information relating to the new stored credit formed in step (e1) to the consumer **[page 8 of the OFA, lines 1 – 5].**

Independent Claim 22:

A financial institution managing savings **[page 7 of the OFA, lines 15 – 16],**
comprising:

a record of a credit stored by a consumer at the financial institution **[page 10 of the OFA, lines 3 – 5; page 9 of the OFA, lines 2 - 5] [12 of the Figure];**

a debit card affiliated with the financial institution, use of which provides the consumer with access to said stored credit **[page 7 of the OFA, line 17; page 10 of the OFA, lines 3 - 5] [13 of the Figure];** and

a billing system for managing said stored credit according to parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card **[page 1 of the OFA, lines 3 – 6; page 6 of the OFA, lines 11 – 18; page 11 of the OFA, lines 7 – 11] [17 of the Figure];**

said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters **[page 8 of the OFA, lines 1 – 4] [19 of the Figure]**, said billing system further debiting an amount of said debits from the record of the stored credit and crediting said stored credit in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer **[page 6 of the OFA, lines 11 – 18; page 8 of the OFA, lines 15 – 19; page 11 of the OFA, lines 7 – 12] [20 and 21 of the Figure];** and

the financial institution transmitting said statement to the consumer **[page 8 of the OFA, lines 1 – 4] [19 of the Figure]**.

Grounds of Rejection to be Reviewed on Appeal

1. Whether or not claims 2 - 15 and 17 - 21 are unpatentable over 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.
2. Whether or not claims 2 – 15 and 17 – 21 are unpatentable under 35 U.S.C. § 101, based on Supreme Court precedent and recent Federal Circuit decisions.
3. Whether or not claims 2 - 4, 6, 9, 10, 13 -15 and 17 - 22 are obvious over The Bank Credit Card Business by American Bankers Association in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 and further in view of 401(k) too nice to pinch by Eileen Ambrose under 35 U.S.C. § 103 (a).
4. Whether or not claims 5, 11, and 12 are obvious over The Bank Credit Card Business by American Bankers Association in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 in view of 401(k) too nice to pinch by Eileen Ambrose and further in view of Orchard Credit Cards under 35 U.S.C. § 103 (a).
5. Whether or not the references 7 and 8 are obvious over The Bank Credit Card Business by American Bankers Association in view of PSECU Capital Card under 35 U.S.C. § 103 (a).

Argument:

- I. **Whether or not claims 2 – 15 and 17 - 21 are unpatentable over 35 U.S.C. § 112, first paragraph, as failing to comply with the written description requirement.**

In item 5 of the **final Office Action**, Appellant's claims 2 – 15 and 17 – 21 were rejected under 35 U.S.C. § 112, first paragraph as allegedly failing to comply with the written description requirement. More particularly, it was alleged in items 5 and 6 of the **final Office Action** that the limitations of "in a system including a device for performing electronics transactions" and "an electronic transaction reflecting" of claims 2 and 15 were unsupported by the specification, and thus, new matter.

Appellant respectfully disagrees.

- A. The "device for performing electronic transactions" and an "electronic transaction reflecting a financial transaction" of Appellant's claims 2 and 15 are explicitly supported by the specification of the instant application, as originally filed, and thus, are not new matter.**

Appellant's claim 2 recites, among other limitations:

- (a) **in a system including a device for performing electronic transactions,** establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer;

...

- (d) causing a first amount to be debited from the stored credit, **as a result of an electronic transaction reflecting a financial transaction using the financial card**, resulting in a remaining credit; [emphasis added by Appellant]

Similarly, Appellant's claim 15 recites, among other limitations:

- (a) establishing a stored credit in a financial institution on behalf of a consumer, corresponding to an amount advanced by the consumer, **the financial institution including a device for performing electronic transactions**;

...

(d) debiting a first amount from the stored credit **as the result of an electronic transaction reflecting a financial transaction using the financial card**, resulting in a remaining credit; [emphasis added by Appellant]

As such, Appellant's amended claims 2 and 15 require, among other things, a **device for performing electronic transactions**, as well as **debiting as a result of an electronic transaction**. As such, Appellant believes that the amended claims 2 and 15 even more clearly **involve statutory subject matter** (i.e., a **device** for performing an electronic transaction).

Item 5 of the **final Office Action** alleged, in part, that, because the "Examiner could not find any words like device or electronic transaction" in the originally filed specification of the application, then there was no support for the words "device" or "electronic transaction" in Appellant's specification. Appellant respectfully disagrees.

More particularly, paragraph [0014] of the published application, corresponding to page 4 of the originally filed specification, lines 2 - 7, states:

Electronic card authorizations were introduced in the 1970s, **allowing retailers to get approval for transactions 24 hours a day**. And by the late 1970s, **magnetic strips on the back of cards, along with electronic dial up terminals** shortened the transaction approval process to only 1-2 minutes. **Now card authorizations can be almost instantaneous**, allowing even greater convenience for both the retailer and the customer. [emphasis added by Appellant]

Thus, the instant application discloses **that electronic card authorization** (introduced in the 1970s) **are performed using magnetic strips on the back of cards, along with electronic dial-up terminals**, thus permitting card

authorizations to be almost instantaneous, “**allowing even greater convenience for both the retailer and the customer**”. Clearly, an **electronic dial-up terminal**, as recited in paragraph [0014] of the published application, is one possible **device for performing an electronic transaction** (i.e., the electronic transaction being an **electronic card authorization**) , as recited by Appellant’s claims. Additionally, paragraph [0014] of the published application states that the electronic card authorizations, allow “retailers to get approval for transactions 24 hours a day”, thus indicating that the financial institutions (i.e., from whom the retailers get approval) correspondingly have electronic terminals for interfacing with the electronic dial-up terminals of the retailer, otherwise electronic card authorizations could not be performed in the manner described in paragraph [0014] of the published application.

Thus, according to paragraph [0014] of Appellant’s specification, one **advantage** to the use of credit cards is that **electronic card authorizations** can be performed almost instantaneously **between a retailer and a financial institution**, via an **electronic terminal**, “allowing even greater convenience for both the retailer and the customer”.

Additionally, paragraph [0015] of the published application, corresponding to page 4 of the originally filed application, lines 9 – 15, state:

Today, more than 84 million US households hold at least one credit card, with credit card spending levels reaching over \$1 trillion dollars each year. Consumers can find a credit card to meet virtually any financial need, special interest, or credit background, **and credit cards are now accepted by millions of retailers, whether one shops with traditional merchants, by phone, mail, fax or online**. With so many cards available offering so much shopping convenience, it’s not hard to

tell why credit cards continue to grow in popularity. [emphasis added by Appellant]

Thus, paragraph [0015] of the instant application states that another advantage to the use of credit cards is that they are now accepted by millions of retailers, even if the customer shops **online**. Shopping online, as disclosed in paragraph [0015] of the instant application, additionally requires a device for getting “online” (i.e., a computer or other online device, such as an internet enabled telephone, etc.) for performing an electronic transaction (i.e., shopping transaction) using a credit card.

As such, paragraphs [0014] and [0015] clearly disclose a plurality of advantages of using a credit card that involve, among other things, a device (i.e., “electronic dial-up terminal”, device for “online” shopping) for performing an electronic transaction (i.e., “electronic card authorization”, “online” shopping). Additionally, paragraph [0014] of the published application discloses “a system including a device for performing electronic transactions” (i.e., a system wherein a financial institution provides “instantaneous” “electronic card authorizations” to retailers, via **electronic terminals**). Although the word “device” is not used in the specification, Appellant does not believe that **a terminal for performing electronic card authorizations** can reasonably be argued not to be “**a device for performing electronic transactions**”.

In response to Appellant's citation of paragraph [0014] for support of the limitations of Appellant's claims 2 and 15, item 5 of the **final Office Action** states, in part, that the “Examiner **does not see any relevance to the current invention** and paragraphs 14 and 27 as cited”. Appellant respectfully disagrees.

The foregoing electronic transactions and devices for performing electronic transactions described in paragraphs [0014] and [0015] of the instant application are disclosed as being **some of the advantages of using credit cards**.

Paragraph [0022] of the published application states, in part:

The general idea behind this patent application is to make available to a specific group of consumers a financial credit card that provides the services that existing debit and credit cards offer today; with the exception that instead of paying interests and fees to credit lenders, the consumer can opt to pay himself or herself for the use of his or her own funds. [emphasis added by Appellant]

As such, paragraph [0022] of the instant application states that the point of the present invention is to make available a particular financial credit card **“that provides the services that existing debit and credit cards offer today”** (i.e., electronic card authorizations via electronic terminals, online shopping, etc.). See also, for example, paragraph [0023] of the published application, which states:

The main advantage of this idea is that it solves the problem that millions of Americans have today as discussed in the "Problems Involved in the Prior Art" section above: **it gives consumers the opportunity to increase their savings through the use of their own moneys, while taking advantage of the conveniences that financial cards provide**. At the same time, this service will help slow down the lending expansion that is putting Americans in bigger debt every year. [emphasis added by Appellant]

Thus, Appellant's specification teaches, in paragraphs [0014] and [0015], specific advantages or conveniences to using the existing credit card network and, in paragraphs [0022] – [0023] discloses **that the instant invention provides a particular type of financial credit card that takes advantage of the services**

and conveniences provided by existing debit and credit cards. Note that one particularly recited “exception” to how the instant invention differs from existing debit and credit cards, as disclosed in paragraph [0022] of the published application, does **not** relate to the structure or convenience of the existing credit card network, system or equipment previously disclosed in the application, but rather, relates **to whom the interest and fees are paid**, for use of the financial card.

As such, paragraphs [0014] – [0015] of the instant application disclose the convenience of existing credit card services provided using “devices for performing electronic transactions” between a retailer, financial institution and/or customer, while paragraphs [0022] – [0023] of the instant application make clear that these services and conveniences are also used in connection with the financial credit card of the present invention. Thus, the disclosure of the devices and electronic transactions performed in paragraphs [0014] – [0015] of the instant application are relevant to, and provide support for, a device for performing an electronic transaction, as well as the electronic transaction performed thereby, as claimed in Appellant’s claims 2 and 15.

Additionally, paragraphs [0033] and [0034] of the published application, stated, as originally filed:

Make transactions using the financial card with any of the millions of retailers that accept credit cards today.
Once the card is in use, every month the bank or agency lending the service sends a statement to the consumer indicating the charges made and payment due. The statement also shows interests charged for the period if a balance is due, as well as any other applicable fees. [emphasis added by Appellant]

As such, in light of the earlier disclosures in paragraphs [0014], [0015], [0022] and [0023] of the instant application, it is clear that the “transactions using the financial card” made “with any of the millions of retailers that accept credit cards today” is a transaction culminating in an electronic card authorization (as described in paragraph [0014]) between a financial institution and the retailer, resulting in a debiting of the customer’s account for the authorized charges made with the financial card.

Thus, Appellant’s originally filed specification explicitly disclosed, in connection with the claimed invention, the use of **devices for performing electronic transactions** and **debiting a first amount from the stored credit as the result of an electronic transaction** reflecting a financial transaction using the financial card, as claimed in Appellant’s claims 2 and 15. Appellant’s claims are, therefore, believed to be explicitly supported by the specification of the application, as originally filed.

Appellant’s claims are, therefore, believed to be patentable under 35 U.S.C. § 112, first paragraph.

- B. The “device for performing electronic transactions” and an “electronic transaction reflecting a financial transaction” of Appellant’s claims 2 and 15 are inherently supported by the specification of the instant application, as originally filed, and thus, are not new matter.**

Further, Appellant's specification inherently includes devices for performing electronic transactions. More particularly, paragraph [0027] of the published application states:

Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.
[emphasis added by Appellant]

Appellant believes that any person of skill in this art would understand, after reading paragraph [0027] of the originally filed application, that the **establishment of a savings account with a bank** for use with the financial card of the invention, **would inherently involve storing a credit on a computer associated with the bank**. In fact, Appellant believes that, at the time of the present invention, a person of ordinary skill in this art, reading the originally filed specification, **could not come to any conclusion other than that the establishment of a savings account with a bank required the storing a credit on a computer associated with the bank**.

M.P.E.P. § 2163.07(a), citing *In re Robertson*, states, in part:

To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill.

As such, in addition to explicitly disclosing a "device for performing an electronic transaction", Appellant believes that it is inherent in the specification of the instant application that the invention includes a "device for performing an electronic transaction" (i.e., a computer) as recited in claims 2 and 15. Note that, the references cited in the Office Action as prior art against Appellant's claims **take it for granted** that the transactions performed in those references are **electronic** transactions that would require a computer, at the very least, to implement, and that

such computer systems are integrally necessary to such a system. See, for example, The Bank Credit Card Business, American Bankers Association (“**ABA**”) reference, page 85, first paragraph. See also, for example, page 87 of the **ABA** reference, stating, in part:

System Availability

The percentage of time that the bank’s computer system is up and available is another critical factor. For instance, whenever the computer system goes down, cardholders’ questions cannot be answered or complaints remedied. If the system fails during the peak hours of the day for customer service, all of the resulting problems are exacerbated. Customers are compelled to call back when the system is up. Again, more work results because the duplicated calls that would have been resolved if the system had been working. Authorizations cannot be handled because the terminals are blank, and operators have no access to cardholder files. **Merchant authorization terminals also cannot obtain authorizations because the system is down. System availability is critical- the system must be up and available the vast majority of the time, especially during peak hours of operation.** [emphasis added by Appellant]

As shown by the **ABA** reference, merchant authorization terminals, as disclosed in paragraph [0014] of the instant application, and applied to the instant invention in paragraphs [0022] and [0023], **must inherently** interface with **computer systems** of the financial institution (i.e., “System availability is critical”), in order to perform electronic card authorizations. As such, Appellant’s claimed “system” or “financial institution” including a “device for performing an electronic transaction”, and electronic transactions performed thereby (i.e., “electronic card authorizations”) are supported by the specification of the instant application, and would be so recognized by a person of ordinary skill in this art.

Appellant's claims are, therefore, further believed to be patentable under 35 U.S.C. § 112, first paragraph.

II. Whether or not claims 2 – 15 and 17 – 21 are unpatentable under 35 U.S.C. § 101, based on Supreme Court precedent and recent Federal Circuit decisions.

In item 8 of the **final Office Action**, Appellant's claims 2 – 15 and 17 – 21 were rejected under 35 U.S.C. § 101, based on Supreme Court precedent and recent Federal Circuit decisions, for being process claims allegedly not: (1) tied to another statutory class; or (2) transforming underlying subject matter to a different state or thing.

Appellant respectfully disagrees.

A. The “device for performing electronic transactions” and the “electronic transaction reflecting a financial transaction” of Appellant's claims 2 and 15 tie the process of those claims to performance by a specific device, and thus, claims 2 and 15 are statutory subject matter under 35 U.S.C. § 101.

As discussed in Section I, above, incorporated herebelow by reference, Appellant's amended claims 2 and 15 require, among other things, a **device for performing electronic transactions**. Claims 2 and 15 additionally require the result of the electronic transaction, performed by this device, to be used to debit a stored credit. As shown in Section I, above, particular “devices” “for performing electronic transactions”, as required by Appellant's claims 2 and 15, are disclosed in the specification of the instant application, as originally filed. Thus, the recitations of

these specific devices for performing electronic transactions are supported by the specification of the instant application under 35 U.S.C. § 112, first paragraph.

As such, Appellant believes that the amended claims 2 and 15 even more clearly **involve statutory subject matter** (i.e., a **device** for performing an electronic transaction). In the recent en banc decision of the Court of Appeals for the Federal Circuit in *In Re Bilski*, the Court held, in part:

A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. [emphasis added by Appellant]

Appellant's claims 2 and 15 do not merely disclose a process, but rather, claim a process including the recited device. Further, Appellant has not claimed a process using just **any** device, but rather, Appellant's claims 2 and 15 recite **a particular device**, i.e., **a device for performing an electronic transaction**. A device for performing an electronic transaction is, by definition, a particular type of electronic device. As such, Appellant's claims 2 and 15 are believed to meet, at least, the machine implementation of the machine-or-transformation test set out in *Bilski*.

However, page 5 of the **final Office Action** stated, in part:

Further, simply reciting a device for performing an electronic device [sic] is not adequate, because the claim has to recite a specific device, i.e., a computer or processor or machine.

Appellant respectfully disagrees with the allegation implying that Appellant has not recited a **specific** device. Appellant's particularly recited "**device for performing an electronic transaction**" is certainly a recitation of a **specific** device (i.e., one,

specifically, that can perform an electronic transaction”). Further, Appellant does not know how Appellant’s very specific recitation does not qualify as reciting “a specific device”, while the more general recitation of a “machine”, given on page 5 of the Office Action, is an example of what would be considered sufficient. Appellant notes that the Court of Appeals did not rule, in Bilski, as to what would be considered a recitation of a **specific** device. Rather, on page 24 of Bilski, the Court stated:

As to machine implementation, Applicants themselves admit that the language of claim 1 does not limit any process step to any specific machine or apparatus. See Appellants’ Br. at 11. As a result, issues specific to the machine implementation part of the test are not before us today. We leave to future cases the elaboration of the precise contours of machine implementation, as well as the answers to particular questions, such as whether or when recitation of a computer suffices to tie a process claim to a particular machine.

In view of the foregoing, Appellant believes that the recitation of a “device for performing an electronic transaction” is sufficiently specific as to the device required for implementation to meet the machine portion of the machine-or-transformation test established for process claims. Appellant’s claims 2 and 15 further utilize the result of the electronic transaction, performed by the device, to adjust the stored credit and provide information of the new stored credit to the consumer.

For the foregoing reasons, among others, Appellant’s claims are believed to be statutory subject matter under 35 U.S.C. § 101.

III. Whether or not claims 2 - 4, 6, 9, 10, 13 – 15 and 17 - 22 are obvious over The Bank Credit Card Business by American Bankers Association in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 and further in view of 401(k) too nice to pinch by Eileen Ambrose under 35 U.S.C. § 103.

In item 10 of the **final Office Action**, claims 2 - 4, 6, 9, 10, 13 – 15 and 17 - 22 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over The Bank Credit Card Business, American Bankers Association ("**ABA**"), in view of U. S. Patent Application Publication No. 2003/0041025 to Bonalle et al ("**BONALLE**"), and further in view of 401(k) Too Nice To Pinch, Eileen Ambrose ("**AMBROSE**").

Appellant respectfully traverses the above rejections.

- B. The combination of the ABA, BONALLE and AMBROSE references fails to teach or suggest, among other limitations of Appellant's claims, establishing a pre-paid, stored credit, corresponding to funds advanced by the consumer, that is debited in accordance with purchases made by the consumer, and which requires repayment according to parameters set by the consumer, as required by Appellant's independent claims 2, 15 and 22.**

More particularly, Appellant's independent claim 2 recites, among other limitations:

- (a) in a system including a device for performing electronic transactions, **establishing a stored credit on behalf of a consumer corresponding to an amount advanced by the consumer**;
- (b) **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, **the parameters being set by the consumer**; [emphasis added by Appellant]

Similarly, Appellant's independent claim 15 recites, among other limitations:

- (a) **establishing a stored credit in a financial institution on behalf of a consumer, corresponding to an amount advanced by the consumer**, the financial institution including a device for performing electronic transactions;
- (b) **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for

at least one of the payment of interest and the payment of late fees, **the parameters being set by the consumer**; [emphasis added by Appellant]

Additionally, Appellant's independent claim 22 recites, among other limitations:

a record of a credit stored by a consumer at the financial institution;

...

a billing system for managing said stored credit according to parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card;

said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters, said billing system **further debiting an amount of said debits from the record of the stored credit** and **crediting said stored credit** in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; [emphasis added by Appellant]

As such, Appellant's claims 2 and 15 require, among other limitations, a stored credit that **corresponds to an amount advanced by the consumer**. Similarly, Appellant's claim 22 requires, among other limitations **a credit stored by the consumer**. As such, Appellant's claims clearly require that the amount of the stored credit available to the consumer to correspond to the amount previously provided to the financial institution **by the consumer**.

Additionally, Appellant's claimed stored credit is not merely the security or collateral for a line of credit to the consumer. Rather, Appellant's claims require, among other things, that **the cost of purchases made by the consumer be debited from the amount of the stored credit**. For example, Appellant's claim 2 requires, among other limitations:

(d) **causing a first amount to be debited from the stored credit, as a result of an electronic transaction reflecting a financial transaction**

using the financial card, resulting in a remaining credit; [emphasis added by Appellant]

Appellant's independent claim 15 recites, among other limitations:

(d) **debiting a first amount from the stored credit as the result of an electronic transaction reflecting a financial transaction using the financial card**, resulting in a remaining credit; [emphasis added by Appellant]

Similarly, Appellant's independent claim 22 requires, among other limitations:

a billing system for managing said stored credit according to parameters set by the consumer, wherein **said billing system debits said stored credit in accordance with purchases made using said debit card**; [emphasis added by Appellant]

Thus, Appellant's claims require a stored credit, **pre-paid by the consumer**, that is **debited in accordance with purchases made using a financial/debit card**. As such, as stated above, the money advanced by the consumer is not used as the security for a line of credit, but rather, is a stored credit that is actually debited in accordance with purchases made by the consumer using the financial card.

The principles and rules that govern secured credit cards are different from Appellant's claimed invention. The secured credit card is a product for people with poor or no credit history; which is approved only when the applicant can pledge cash upfront to use as collateral for an equal amount of credit extended (Ex: a \$500 credit limit in exchange for a \$500 savings deposit). However, with a secured credit card, collateral cannot be withdrawn unless debt is paid off (i.e., saving are off limits. Additionally, with a secured credit card, the banks pays a low annual interest on the saving, but charges a higher than average rate on the money borrowed from

the bank. Additionally, with a secured credit card the bank charges the consumer bank determined fees and penalties. This is not the case in Appellant's claimed invention, where the consumer is using his own money and setting his own repayment parameters, including parameters relating to interest and/or late fees.

Further, Appellant's claims 2 and 15 specifically require, among other limitations, that **the parameters for repaying the amounts debited from the pre-stored credit, be set by the consumer**. Correspondingly, Appellant's independent claim 22 requires, among other limitations, **a billing system generating a statement detailing debits to the stored credit** (i.e., the credit "stored by a consumer"), **and any interest or late fees due in accordance with the parameters set by the consumer**. The setting of the parameters by the consumer is supported by the specification of Appellant's originally filed application, for example, on page 7 of the originally filed application, line 13 – page 8, line 8, (corresponding to paragraphs [0026] - [0032] of the published application US 2005/0228749), which lines state, in part:

The process of issuing and using the financial card proposed in this invention would work as follows: **The customer would**

Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.

Request the financial card from the bank.

Set the maximum amount the savings account can be charged against. In other words **set the minimum acceptable balance**.

Set the interest rate allowed to be charged for the use of the funds.

Set the monthly minimum payment as a percentage of the funds owed.

Set the monthly fee for late or default payments. [emphasis added by Appellant]

As such, the specification of the instant application, **as filed**, clearly disclosed the concept of the consumer/customer **setting the operating parameters of the account** (i.e., setting the monthly fee for late or default payments, setting the monthly minimum payment for funds owed, setting the charge rate allowed for use of the funds, setting the minimum acceptable balance, etc.).

Thus, it can be seen that the invention of Appellant's claims recites and requires, among other things, a **pre-paid, stored credit** (i.e., corresponding to funds advanced by the consumer) **that is debited in accordance with purchases made by the consumer, and which requires repayment according to parameters set by the consumer.**

The cited references do **not** teach or suggest, among other limitations of Appellant's claims, **a consumer setting the parameters** (i.e., including the payment of interest and late fees) **for the repayment of amounts debited from the consumer's own savings** (i.e., "stored credit", "credit stored by a consumer") **in accordance with purchases made by the consumer**, as required by Appellant's claims.

First, the **ABA** reference fails to teach or suggest, among other limitations of Appellant's claims, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer, wherein the consumer sets the parameters for **repayment** of amounts debited from the consumer's own stored credit. Page 6 of **the final Office Action** pointed to pages 183-185 of the

ABA reference for allegedly showing a consumer storing a credit. However, pages 183-185 of the **ABA** reference merely disclose the traditional use of debit cards. Nothing on pages 183 – 185 of the **ABA** reference teaches or suggests, among other limitations of Appellant's claims, **the consumer setting parameters for repayment of sums used from the cardholder's deposit account**. In fact, the **ABA** reference only discusses **repayments** for purchases made by the consumer using a card in the context of the traditional credit card model, wherein **the consumer repays credit extended by the financial institution** to the consumer.

For example, the **ABA** reference discloses **the financial institution advancing credit** (i.e., not a **stored credit advanced by the consumer**) to a consumer, and arranging for **repayment** of these **credit amounts used**. Nothing in the **ABA** reference teaches or suggests arranging for (i.e., invoicing for) **repayment** of sums **debited from the consumers own deposit account holding the consumer's own money** (i.e., stored credit corresponding to an amount advanced by the consumer). In fact, page 3 of the **ABA** reference, states in part:

Bank credit card credit differs from installment lending in the following ways (see exhibit 1.1):

- **Because the debt is unsecured**, the bank does not have recourse to specific collateral if customer defaults.
- **The bank's exposure equals or can even exceed the credit line** (for example, if a bank authorizes a request for additional credit or a cardholder exceeds his or her credit line), while with installment lending, the bank's exposure decreases each month the loan is in force.
- The repayment cycle, and therefore **the term of the loan**, is extended each time the cardholder accesses his or her credit line. [emphasis added by Applicant]

None of the above occurs in Appellant's claimed invention. Rather, because the Appellant is drawing only on **his own pre-stored** funds (i.e., savings), the bank does not have the same risks as with credit cards. In fact, the **ABA** reference specifically teaches away from the invention of Appellant's claims. More particularly, page 7 of the **ABA** reference states, in part:

The net result is that consumers have found credit cards convenient, widely accepted, safe and flexible. **Credit is immediately available to fund everyday transactions, including when the cardholder wants to avoid using personal funds**. [emphasis added by Appellant]

Clearly, the **ABA** reference teaches away from use of a card for **drawing from the cardholder's personal funds** (i.e., "Credit is immediately available to fund everyday transactions, **including when the cardholder wants to avoid using personal funds**"), and the requirements for the subsequent repayment of these debited funds, as is required by Appellant's claims. This failure of the **ABA** reference is acknowledged on page 7 of **the final Office Action**, which states, in part:

ABA does not explicitly teach (b) **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees and wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer; [emphasis added by Appellant]

Rather, page 7 of **the final Office Action** points to the **BONALLE** reference as allegedly disclosing the setting of parameters for repayment of amounts borrowed from the stored credit, including setting parameters for at least one of a payment of interest and a payment of late fees. Appellant respectfully disagrees.

More particularly, page 7 of the **final Office Action** states, in part:

Bonalle teaches (b) **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees (see paragraph 11). [emphasis added by Appellant]

However, Appellant respectfully disagrees that **BONALLE** teaches or suggests, among other limitations of Appellant's claims, **setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees. Like **ABA**, **BONALLE** discloses a system wherein **credit is extended to a consumer from the financial institution**. See, for example, paragraph [0003] of **BONALLE**, stating in part:

After applying and qualifying **for a new transaction card account (e.g., credit or charge card)**, a consumer typically receives a card and/or account number with an associated finance charge for any late payments or **unpaid balances**. [emphasis added by Appellant]

That **BONALLE** relates to a system for repayment of credit extended **by the financial institution** to a consumer (and not for repayment of use of the consumer's own advanced money), is further supported by paragraph [0011] of **BONALLE**, cited in the **final Office Action**, which states, in part:

Moreover, one skilled in the art will appreciate that any type of interest rate or finance charge arrangement may be contemplated by the present invention such as, for example, a constant interest rate, a varying interest rate, an interest rate that adjusts throughout different time periods, **application of the interest rate to any portion of the charges or balance**, interest rates that are due weekly, monthly, yearly or any other time period, interest rates based on other factors (e.g., membership status, economic indicators, etc) and/or the like. [emphasis added by Appellant]

See also, for example, paragraph [0009] of **BONALLE**, which states:

In the typical situation, a consumer 10 applies for a transaction card 12, and if qualified, the issuer sends the consumer 10 a transaction card 12 having an account number 14 associated with a transaction account 34, **wherein the transaction account includes a line of credit with a credit limit 30 and a pre-disclosed set interest rate 36**. The account number 14 may be used by the consumer 10 to charge purchases to the transaction account. With respect to a purchase transaction, after obtaining authorization for the account number 14 and the purchase amount from the card issuer (e.g., American Express, bank or other financial institution), the merchant 18 requests settlement of the charge from the card issuer and the card issuer pays the merchant 18 the value of the charge. **The card issuer then sends a bill to the consumer 10 requesting payment by a certain date of the recent charges associated with the transaction account.** If the consumer 10 does not pay the entire amount of the charges, the issuer may add a finance charge related to the unpaid balance on the next billing statement. [emphasis added by Appellant]

As such, **BONALLE** discloses providing the consumer with a credit or charge account including **a line of credit extended by the card issuer** and having a credit limit, wherein interest is charged on **the balance owed to the financial institution** associated with the card. Thus, **BONALLE** certainly does not disclose **the consumer**: 1) **providing an amount to form a stored credit**; and 2) **setting rules for the repayment of the use of the consumer's own money** (i.e., stored credit).

Further, the **AMBROSE** reference was cited on page 7 of the Office Action for allegedly disclosing at least one of interest and a late fee being added to a remaining credit to form a new credit. However, like the **ABA** and **BONALLE** references, **AMBROSE** also fails to teach or suggest, among other limitations of Appellant's claims, **establishing a stored credit on behalf of a consumer**, corresponding to **an amount advanced by the consumer** and **the consumer setting parameters** for repayment of amounts debited **from the stored credit**.

First, in **AMBROSE**, the 401(K) holder pays interests to himself when he borrows money from his account, however, the author clearly states in the first paragraph of **AMBROSE** that the 401(K) should not to be viewed as a savings account, but as a tool to build retirement income. In fact, when the account holder borrows against his account he loses the potential gain if the money had remained invested in the account. Also, with the 401K system, the account holder does not have much flexibility and he does not have the autonomy to decide the interests rates, penalties, fees, etc. Further, a traditional 401(k) is usually rule limited to prevent the debiting of the 401(k) for individual financial transactions, as required by Appellant's claims, and for use with a debit card, as additionally required by Appellant's claims.

Further, the holder of a 401(k) is not permitted to **set the parameters for repayment** of debited sums, as required by Appellant's claims. This can be seen from the last sentence of the first page of the cited **AMBROSE** article, which states:

You repay the loan to yourself with interest, usually at the prime rate, now at 9.5 percent, or prime plus 1 percentage point. [emphasis added by Appellant]

The above citation from the **AMBROSE** article accurately states the state of the law for repaying loans from one's 401(k) account at **predefined interest rates set by the plan, and not set by the consumer**, as required by Appellant's claims.

The **ORCHARD** and **PSECU** references, cited in the **final Office Action** against certain dependent claims, in combination with the **ABA**, **BONALLE** and **AMBROSE** references, do not cure the above-discussed deficiencies of the **ABA**, **BONALLE**

and **AMBROSE** references. As such, the combination of the **ABA, BONALLE, AMBROSE, ORCHARD** and **PSECU** references still fail to teach or suggest, among other limitations of Appellant's claims, **the consumer setting the parameters for repayment of amounts borrowed from the consumer's own stored credit.**

- C. **The combination of the ABA, BONALLE and AMBROSE references suggested in the Office Action would impermissibly destroy the express teachings of the ABA reference, if applied to Appellant's independent claims 2, 15 and 22 .**

Additionally, Appellant believes that the disclosure of a traditional debit card system on pages 183 – 185 of the **ABA** reference, wherein no repayment of debited funds is required, is **not combinable** with the teaching in the **ABA** reference of repaying **credit advanced by a financial institution**, without destroying the teachings of the **ABA** reference. Page 7 of the **ABA** reference states, in part:

The net result is that consumers have found credit cards convenient, widely accepted, safe and flexible. **Credit is immediately available to fund everyday transactions, including when the cardholder wants to avoid using personal funds.** [emphasis added by Appellant]

Clearly, the **ABA** reference teaches that the **ABA** system requiring the repayment of credit advanced by a financial institution is to be used **when the cardholder wants to avoid using personal funds**. Thus, **ABA** teaches against tying up and/or actually using the user's personal funds. Modifying the "credit model" of the **ABA** reference to store and borrow from a consumer's personal funds (i.e., the "debit model") would **impermissibly destroy the teachings of the "credit model"**

of the **ABA reference**, while still not teaching or suggesting all limitations of Appellant's claims.

- D. The combination of the **ABA, BONALLE and AMBROSE** references fails to teach or suggest, among other limitations of Appellant's claims, a consumer's pre-paid, stored credit, being debited in accordance with purchases made by the consumer, and requiring repayment according to parameters set by the consumer, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, as required by Appellant's independent claims 2, 15 and 22.

As shown in Section I(a) above, the references cited in the **final Office Action** fail to teach or suggest, among other limitations of Appellant's claims, **a consumer setting the parameters for repayment of amounts borrowed from the consumer's own pre-stored credit**. However, Appellant's claims further require, among other limitations, that the parameters **set by the consumer** include **at least one of a payment of interest and a payment of late fees**. More particularly, Appellant's independent claims 2 and 15 recite, among other limitations:

(b) setting parameters for repayment of amounts borrowed from the stored credit, **wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, the parameters being set by the consumer**; [emphasis added by Appellant]

Additionally, Appellant's independent claim 22 recites, among other limitations:

a billing system for managing said stored credit according to parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card;

said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters, said billing system further debiting an amount of said debits from the record of the stored credit and crediting said stored credit in the

amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; [emphasis added by Appellant]

However, the cited references fail to teach or suggest, among other limitations of Appellant's claims, a consumer setting parameters for repayment of the consumer's own debited funds, which parameter's include at least one of **a payment of interest and a payment of late fees**. The failure of the **ABA** reference to teach or suggest this feature of Appellant's claims is acknowledged on page 5 of the **final Office Action**. Additionally, Appellant believes that the **BONALLE** reference, cited in the Office Action as allegedly disclosing the user selection of at least one of a payment of interest and a payment of late fees, also fails to teach or suggest this limitation of Appellant's claims.

Rather, **BONALLE** discloses a consumer choosing when to apply a promotional interest rate (determined by the financial institution) to the accumulated balance of money owed on credit extended by a financial institution to the consumer. See, for example, the Abstract of **BONALLE**, which states:

The present invention includes a system and method for facilitating the customization of a transaction card having a set interest rate **by allowing a consumer to choose when** to use the promotional rate **or customize other promotional offers**. The consumer can select or customize the offer by telephoning a consumer service agent or entering the request via the Internet. The system adjusts the set interest rate to be equivalent to the promotional interest rate such that the promotional interest rate is activated on the calendar date and during the promotional time period. [emphasis added by Appellant]

See also, for example, paragraph [0011] of **BONALLE**, cited in **the final Office Action**. Appellant respectfully believes that consenting to when a particular interest rate or another applies, is not the same as setting the interest rate or late

fees. Appellant's claims require the consumer to **set** at least one of the interest rate.

As such, **BONALLE** discloses a system and method for flexible promotional rates **to save customers money in interest paid to someone else**. Appellant's claimed invention is a savings and financing system and method in which the account holder has complete autonomy and the interest is **paid to the consumer**.

Additionally, as discussed above, like the **ABA** and **BONALLE** references, the **AMBROSE** reference also fails to teach or suggest, among other limitations of Appellant's claims, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced/stored by the consumer and **the consumer setting parameters for repayment of amounts borrowed from the stored credit**, wherein the parameters for repayment include parameters for at least **one of a payment of interest and a payment of late fees**, as required by Appellant's claims. More particularly, the last sentence of the first page of the cited **AMBROSE** article states:

You repay the loan to yourself with interest, **usually at the prime rate, now at 9.5 percent, or prime plus 1 percentage point**. [emphasis added by Appellant]

As such, in **AMBROSE** the loan must be repaid at **predefined interest rates set by the plan, and not set by the consumer**, as required by Appellant's claims. Thus, like **ABA** and **BONALLE**, **AMBROSE** fails to teach or suggest, among other limitations of Appellant's claims, pre-storing a credit of a consumer, wherein **the consumer sets parameters including at least one of interest rate and late fees**

for repayment of amounts debited from the stored credit in accordance with purchases made by the consumer.

As such, Appellant's claims are believed to be patentable over **ABA, BONALLE** and **AMBROSE**, whether taken alone, or in combination.

The **ORCHARD** and **PSECU** references, cited in the **final Office Action** against certain dependent claims, in combination with the **ABA, BONALLE** and **AMBROSE** references, do not cure the above-discussed deficiencies of the **ABA, BONALLE** and **AMBROSE** references.

As such, Appellant's claims are believed to be patentable over **ABA, BONALLE, AMBROSE, ORCHARD** and **PSECU**, whether taken alone, or in combination.

IV. Whether or not claims 5, 11, and 12 are obvious over The Bank Credit Card Business by American Bankers Association in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 in view of 401(k) too nice to pinch by Eileen Ambrose and further in view of Orchard Credit Cards under 35 U.S.C. § 103.

In item 26 of the **final Office Action**, claims 5, 11, and 12 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over **ABA** in view of **BONALLE**, and further in view of **AMBROSE**, and further still in view of "Orchard Credit Cards" ("**ORCHARD**").

Appellant respectfully traverses the above rejections of claim 5, 11 and 12.

More particularly, for the reasons set forth in Section I, above, Appellant's independent claims are believed to be patentable over the **ABA**, **BONALLE** and **AMBROSE** references. The **ORCHARD** and **PSECU** references, cited in the **final Office Action** against certain dependent claims, in combination with the **ABA**, **BONALLE** and **AMBROSE** references, do not cure the above-discussed deficiencies of the **ABA**, **BONALLE** and **AMBROSE** references. As such, Appellant's claims 5, 11 and 12 are believed to be patentable over **ABA**, **BONALLE**, **AMBROSE**, **ORCHARD** and **PSECU**, whether taken alone, or in combination.

V. Whether or not the references 7 and 8 are obvious over The Bank Credit Card Business by American Bankers Association in view of PSECU Capital Card under 35 U.S.C. § 103.

In item 30 of the **final Office Action**, claims 7 and 8 were rejected under 35 U.S.C. § 103(a) as allegedly being obvious over **ABA**, in view of "PSECU Capitol Card" ("**PSECU**").

Appellant respectfully traverses the above rejections of claim 7 and 8.

More particularly, for the reasons set forth in Section I, above, Appellant's independent claims are believed to be patentable over the **ABA**, **BONALLE** and **AMBROSE** references. The **ORCHARD** and **PSECU** references, cited in the **final Office Action** against certain dependent claims, in combination with the **ABA**, **BONALLE** and **AMBROSE** references, do not cure the above-discussed deficiencies of the **ABA**, **BONALLE** and **AMBROSE** references. As such,

Appellant's claims 7 and 8 are believed to be patentable over **ABA, BONALLE, AMBROSE, ORCHARD** and **PSECU**, whether taken alone, or in combination.

VI. Conclusion.

For the foregoing reasons, among others, Appellant's claims are believed to be supported by the written description, as originally filed, and are directed towards statutory subject matter under 35 U.S.C. § 101. Additionally, Appellant's claims are believed to be patentable over **ABA, BONALLE, AMBROSE, ORCHARD** and **PSECU**, whether taken alone, or in combination.

Please provide any additional extensions of time that may be necessary and charge any other fees that might be due with respect to Sections 1.16 and 1.17 to the Deposit Account of Lerner Greenberg Sterner LLP, No. 12-1099.

Respectfully submitted,

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Claims Appendix:

2. A method of managing a credit, comprising the steps of:

(a) in a system including a device for performing electronic transactions, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer;

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees, the parameters being set by the consumer;

(c) obtaining a financial card, for providing access by the consumer to the stored credit;

(d) causing a first amount to be debited from the stored credit, as a result of an electronic transaction reflecting a financial transaction using the financial card, resulting in a remaining credit;

(e1) after step (d), paying, by the consumer, of at least one of interest and late fees on the first amount, in accordance with the parameters set in step (b), wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer; and

(e2) providing information relating to the new stored credit formed in step (e1) to the consumer.

3. The method of claim 2, further comprising the step of:

(f) after step (d) and before step (e), sending a statement to the consumer for at least one of the first amount, interest or a late fee, in accordance with the parameters set in step (b).

4. The method of claim 3, wherein, the parameters set in step (b) specify billing the consumer for at least one of interest and a late fee only if the first amount is not paid in full prior to a deadline set by the parameters.

5. The method of claim 2, wherein, the parameters set in step (b) permit the consumer to set the maximum amount the stored credit can be debited by the first amount and subsequent amounts.

6. The method of claim 2, wherein, the parameters set in step (b) permit the consumer to set an interest rate charged on at least the first amount.

7. The method of claim 2, wherein, the parameters set in step (b) permit the consumer to set a monthly minimum payment for repaying at least the first amount.

8. The method of claim 7, wherein, the parameters set in step (b) permit the consumer to set the monthly minimum payment as a percentage of the funds owed.

9. The method of claim 2, wherein the first amount is debited from the stored credit in step (d) as the result of a purchase made using the financial card in a retail establishment.

10. The method of claim 2, wherein the paying in step (e) further includes repaying at least a portion of the first amount, and wherein the at least a portion of the first amount is additionally added to the remaining credit to form the new stored credit.

11. The method of claim 2, wherein the stored credit is a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card to the consumer.

12. The method of claim 2, wherein the stored credit is stored in a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card and statement to the consumer.

13. The method of claim 3, further comprising the step of:

(g) debiting a second amount from the remaining credit, using the financial card.

14. The method of claim 2, further comprising the step of:

(h) debiting a finance charge from the stored credit if the parameters set in (b) are not met.

15. A method of managing a credit, comprising the steps of:

(a) establishing a stored credit in a financial institution on behalf of a consumer, corresponding to an amount advanced by the consumer, the financial institution including a device for performing electronic transactions;

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of the payment of interest and the payment of late fees, the parameters being set by the consumer;

(c) issuing a financial card, for providing access by the consumer to the stored credit;

(d) debiting a first amount from the stored credit as the result of an electronic transaction reflecting a financial transaction using the financial card, resulting in a remaining credit;

(e1) after step (d), crediting to the remaining credit, at least one of interest and late fees on the first amount, paid by the consumer, which said at least one of interest and late fees accrued in accordance with the parameters set in step (b), wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer; and

(e2) providing information relating to the new stored credit formed in step (e1) to the consumer.

17. The method of claim 15, further comprising the step of:

(f) after step (d) and before step (e), sending a statement to the consumer for at least one of the first amount, interest or a late fee, in accordance with the parameters set in step (b).

18. The method of claim 17, wherein, the parameters set in step (b) specify billing the consumer for at least one of interest and a late fee only if the first amount is not paid in full prior to a deadline set by the parameters.

19. The method of claim 15, further comprising the step of:

(h) debiting a finance charge from the stored credit if the parameters set in (b) are not met.

20. The method of claim 15, the parameters set in step (b) permit the consumer to set an interest rate charged on at least the first amount.

21. The method of claim 15, wherein the crediting in step (e) further includes crediting at least a portion of the first amount repaid by the consumer, and wherein the at least a portion of the first amount paid by the consumer is additionally added to the remaining credit to form the new stored credit.

22. A financial institution managing savings, comprising:

a record of a credit stored by a consumer at the financial institution;

a debit card affiliated with the financial institution, use of which provides the consumer with access to said stored credit; and

a billing system for managing said stored credit according to parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card;

said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters, said billing system further debiting an amount of said debits from the record of the stored credit and crediting said stored credit in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; and

the financial institution transmitting said statement to the consumer.

Evidence Appendix:

No evidence pursuant to §§ 1.130, 1.131, or 1.132 or any other evidence has been entered by the Examiner and relied upon by appellant in the appeal.

Related Proceedings Appendix:

No prior or pending appeals, interferences or judicial proceedings are in existence which may be related to, directly affect or be directly affected by or have a bearing on the Board's decision in this appeal. Accordingly, no copies of decisions rendered by a court or the Board are available.